**Sick industrial units in Orissa**

2393. SHRI KAHNU CHARAN LENKA : Will the Minister of INDUSTRY be pleased to state:

(a) what is the number of small, medium and large scale industrial units in Orissa which were sick as on the 30th June, 1989; and

(b) what are the reasons therefor and what remedial steps are being taken or contemplated to be taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) The data on sick industrial units in the country is collected by Reserve Bank of India and as per the latest information available from them there were 9 sick industrial units in the non-SSI sector and 8692 in the small scale sector in the State of Orissa as at the end of December, 1987.

(b) A number of causes, both external and internal are responsible for industrial sickness in the country. Among the major causes are faulty project planning, management deficiencies, inefficient financial control, diversion of resources, inadequate attention to R&D, obsolescence of technology and machinery, poor industrial relations, change in market demand, cost and scarcity of raw materials and other inputs and infrastructural constraints.

For revival of sick industrial units, Government of India have got a uniform policy for the whole country including Orissa. Some of the important aspects are as follows:

(*i*) The Government have enacted a comprehensive legislation namely "The Sick Industrial Companies (Special provisions) Act, 1985". A quasi-judicial body designated as 'The Board for Industrial and Financial Reconstruction (BIFR)' has been set up under the Act to deal with the problems of sick industrial companies in an effective manner, which has become operational with effect from the 15th May, 1987.

(*ii*) The Reserve Bank of India have issued guidelines to the banks for strengthening the monitoring systems and for arresting industrial sickness at the incipient stage so that corrective measures are taken in time.

(*iii*) The banks have also been directed by the Reserve Bank of India to formulate rehabilitation packages for the revival of potentially viable units. The banks and financial institutions evolve rehabilitation packages for the revival of sick units.

(*iv*) Reserve Bank of India have also issued guidelines separately to the banks indicating parameters within which banks could grant reliefs and concessions for rehabilitation of potentially viable sick units without reference to RBI both in the large and small scale sectors.

(*v*) Government of India introduced a Margin Money Scheme with a view to supplementing the efforts of the State Governments in reducing the incidence of sickness in the samall scale sector. Under the liberalised scheme the maximum amount of assistance per unit available to sick small scale units for rehabilitation has been increased from Rs. 20,000 to Rs. 50,000.

**Profits made by Bharat Wagons Limited, Patna**

2394. SHRI DAVID LEDGER : Will the Minister of INDUSTRY be pleased to refer to the answer to Unstarred Question 2834 given in the Rajya Sabha on the 27th March, 1989 and state :

(a) whether the Bharat Wagons Limited, Patna initially declared